

COALITION FOR DC REPRESENTATION
IN CONGRESS EDUCATION FUND

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2007 AND 2006

STRACK | STANFIELD, LLC

CERTIFIED PUBLIC ACCOUNTANTS

COALITION FOR DC REPRESENTATION
IN CONGRESS EDUCATION FUND

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INDEPENDENT AUDITORS' REPORT

Board of Directors

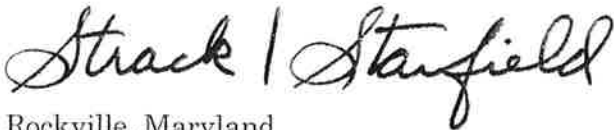
COALITION FOR DC REPRESENTATION IN CONGRESS EDUCATION FUND

We have audited the accompanying statements of financial position of the COALITION FOR DC REPRESENTATION IN CONGRESS EDUCATION FUND (DC VOTE) as of December 31, 2007 and 2006 and the related statements of activities, cash flows, and functional expenses for the years then ended. These financial statements are the responsibility of the management of DC Vote. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of DC VOTE as of December 31, 2007 and 2006 and the results of its operations and its cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

We conducted our audits in accordance with U.S. generally accepted auditing standards for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information on page 8 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Rockville, Maryland
July 10, 2008

COALITION FOR DC REPRESENTATION
IN CONGRESS EDUCATION FUND
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2007 AND 2006

ASSETS

	<u>2007</u>	<u>2006</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 856,282	\$ 614,933
Prepaid expenses	<u>16,070</u>	<u>4,405</u>
Total current assets	<u>872,352</u>	<u>619,338</u>
 LONG TERM ASSETS		
Fixed Assets, net of accumulated depreciation (NOTE 5)	17,244	16,530
Deposit	<u>17,050</u>	<u>-</u>
Total long term assets	<u>34,294</u>	<u>16,530</u>
 TOTAL ASSETS	 <u>\$ 906,646</u>	 <u>\$ 635,868</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	\$ 7,616	\$ 21,938
Accrued expenses	<u>22,536</u>	<u>16,040</u>
Total current liabilities	<u>30,152</u>	<u>37,978</u>
 Total Liabilities	 <u>30,152</u>	 <u>37,978</u>
 NET ASSETS		
Unrestricted	395,732	429,068
Temporarily restricted (NOTE 3)	<u>480,762</u>	<u>168,822</u>
Total Net Assets	<u>876,494</u>	<u>597,890</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 906,646</u>	 <u>\$ 635,868</u>

The accompanying notes are an integral part
of these financial statements.

COALITION FOR DC REPRESENTATION
 IN CONGRESS EDUCATION FUND
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED DECEMBER 31, 2007
 WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2006

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>2007 TOTAL</u>	<u>2006 TOTAL</u>
REVENUE				
Contributions	\$ 130,920	\$ -	\$ 130,920	\$ 79,957
Annual gala and fair	193,967	-	193,967	154,860
Foundation and government grants	830,000	500,000	1,330,000	1,160,500
Sales of promotional materials	563	-	563	1,271
Other income (expense)	195	-	195	(2,634)
NET ASSETS RELEASED FROM RESTRICTIONS	<u>188,060</u>	<u>(188,060)</u>	<u>-</u>	<u>-</u>
TOTAL REVENUE, SUPPORT AND RECLASSIFICATIONS	<u>1,343,705</u>	<u>311,940</u>	<u>1,655,645</u>	<u>1,393,954</u>
EXPENSES				
Program	936,094	-	936,094	806,915
General and administrative	115,351	-	115,351	101,666
Fundraising	325,596	-	325,596	173,643
Total Expenses	<u>1,377,041</u>	<u>-</u>	<u>1,377,041</u>	<u>1,082,224</u>
NET (DECREASE) INCREASE IN NET ASSETS	(33,336)	311,940	278,604	311,730
NET ASSETS				
BEGINNING OF YEAR	<u>429,068</u>	<u>168,822</u>	<u>597,890</u>	<u>286,160</u>
END OF YEAR	<u>\$ 395,732</u>	<u>\$ 480,762</u>	<u>\$ 876,494</u>	<u>\$ 597,890</u>

The accompanying notes are an integral part
of these financial statements.

COALITION FOR DC REPRESENTATION
 IN CONGRESS EDUCATION FUND
 STATEMENTS OF CASH FLOWS
 FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 278,604	\$ 311,730
Adjustments to reconcile change in net assets to net cash		
Depreciation	6,910	7,236
(Increase) decrease in assets		
Inventory	-	760
Prepaid expenses	(11,665)	-
Deposit	(17,050)	(1,299)
Increase (decrease) in liabilities		
Accounts payable	(14,322)	12,810
Accrued expenses	<u>6,496</u>	<u>22,426</u>
Net Cash Provided By Operating Activities	<u>248,973</u>	<u>353,663</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	<u>(7,624)</u>	<u>(1,977)</u>
Net Cash (Used For) Investing Activities	<u>(7,624)</u>	<u>(1,977)</u>
NET INCREASE IN CASH	241,349	351,686
CASH AND CASH EQUIVALENTS		
Beginning of year	<u>614,933</u>	<u>263,247</u>
End of year	<u>\$ 856,282</u>	<u>\$ 614,933</u>

The accompanying notes are an integral part
of these financial statements.

COALITION FOR DC REPRESENTATION
IN CONGRESS EDUCATION FUND
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006

1. ORGANIZATION AND PURPOSE

The Coalition for DC Representation in Congress Education Fund (DC Vote) is a non-profit 501(c)(3) organization incorporated on October 29, 1998 in the District of Columbia. DC Vote's primary mission is to educate the public and the Congress of the United States about the need for the citizens of the District of Columbia to enjoy full voting representation in the U.S. House of Representatives and the U.S. Senate. DC Vote brings together any and all organizations, citizens, and other supporters of the principles enumerated in the Constitution that guarantee democratic representation of all citizens and assert the principle of "one person, one vote."

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the DC Vote have been prepared on the accrual basis of accounting, whereby revenues are recorded when earned and expenses are recorded when incurred.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, DC Vote is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

A description of these net asset categories follows:

- Unrestricted net assets – includes revenue and expenses associated with the general operating purposes of DC Vote.
- Temporarily restricted net assets – generally includes contributions for which donor-imposed direct restrictions have not yet been met.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

DC Vote considers all demand deposits in banks and highly liquid investments with an original maturity of three months or less to be cash equivalents for purposes of the statement of cash flows. Balances in bank accounts occasionally exceed \$100,000, which is the maximum amount covered by federal depository insurance. DC Vote has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk.

COALITION FOR DC REPRESENTATION
IN CONGRESS EDUCATION FUND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2007 AND 2006

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions

Contributions received are recorded as unrestricted or temporarily restricted support, depending on the existence and/or nature of any donor restrictions. All donor-restricted contributions are reported as an increase in temporarily restricted net assets. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Contributions received with restrictions that expire during the same fiscal year are recorded as unrestricted when received.

Property and Equipment

Property and equipment are carried at cost. Donations of furniture and equipment are recorded at their fair market value as of the date of the donation. Property and equipment are depreciated on a straight line basis over the estimated useful lives of the assets, which range from 5-7 years.

Functional Allocation of Expenses

The costs of programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting service benefited.

Income Taxes

DC Vote is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made.

Comparative Information

The statement of activities includes certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. generally accepted accounting principles. Accordingly, such information should be read in conjunction with the organization's financial statements for the year ended December 31, 2006 from which the summarized information was derived.

3. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets as of December 31, 2007 and 2006 are available for District voting rights education outreach grants awarded by the Government of the District of Columbia.

4. RELATED PARTY TRANSACTIONS

During 2007 and 2006 DC Vote leased office space from Soapstone, LLC that is controlled by a member of DC Vote's Board of Directors. Rent expense for the years ended December 31, 2007 and 2006 was \$26,000 and \$17,000, respectively.

COALITION FOR DC REPRESENTATION
IN CONGRESS EDUCATION FUND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2007 AND 2006

5. PROPERTY AND EQUIPMENT

Property and equipment is comprised of the following at December 31:

	<u>2007</u>	<u>2006</u>
Furniture and fixtures	\$ 14,735	\$ 12,089
Software	8,199	7,401
Office equipment	<u>36,590</u>	<u>32,410</u>
Subtotal	59,524	51,900
Less accumulated depreciation	<u>(42,280)</u>	<u>(35,370)</u>
Total	<u>\$ 17,244</u>	<u>\$ 16,530</u>

Depreciation expense for the years ended December 31, 2007 and 2006 was \$6,910 and \$7,236, respectively.

6. RETIREMENT PLAN

DC Vote has a Simple IRA Plan (the Plan) covering all full-time employees. The Plan allows for employees to make pre-taxed contributions for the benefit of retirement savings. DC Vote matches the employee's contribution, dollar for dollar, up to 3% of salary. The match is immediately vested. Total expense for the years ended December 31, 2007 and 2006 was \$11,279 and \$5,850, respectively.

7. LEASE COMMITMENTS

In December 2007 DC Vote entered into a lease for office space in Washington, DC which expires in January 2011. The lease provides for annual rent increases of Consumer Price Index increases for the area, plus a pro-rata share of the increases in real estate taxes. These increases in total may not exceed 5% per year. The future minimum lease payments are as follows:

Years ending December 31,

	2008	\$ 102,300
	2009	107,415
	2010	112,786
	2011	<u>9,869</u>
Total minimum rental commitments		<u>\$ 332,370</u>

COALITION FOR DC REPRESENTATION IN CONGRESS EDUCATION FUND
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDING DECEMBER 31, 2007
WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2006

	2007			2006	
	Program	Management and General	Fundraising	Total	Total
Salaries	\$ 345,808	\$ 73,236	\$ 95,191	\$ 514,235	\$ 407,442
Professional fees	171,248	8,773	45,735	225,756	122,042
Event production	118,902	1,161	54,239	174,302	303,100
Employee benefits	62,513	14,086	17,065	93,664	59,711
Marketing and advertising	79,296	2,126	-	81,422	5,520
Printing and publications	14,928	11,701	52,318	78,947	37,873
Web site maintenance	27,352	24,036	12,727	64,115	33,544
Rent	-	27,106	-	27,106	17,000
Postage and delivery	1,839	3,415	19,844	25,098	10,556
Travel and representation	15,549	2,626	1,258	19,433	12,165
Telephone	-	15,201	-	15,201	11,464
Office supplies	1,872	9,974	927	12,773	15,546
Accounting and legal	-	11,886	-	11,886	5,000
Depreciation	-	6,910	-	6,910	7,236
Dues and subscriptions	-	6,022	144	6,166	4,868
Leased equipment	-	5,416	-	5,416	4,699
Repair and maintenance	-	4,775	-	4,775	5,672
Utilities	-	4,767	-	4,767	8,156
Miscellaneous	13	1,151	3,016	4,180	5,105
Organizational insurance	-	889	-	889	5,525
Shared cost allocation	96,774	(119,906)	23,132	-	-
	<u>\$ 936,094</u>	<u>\$ 115,351</u>	<u>\$ 325,596</u>	<u>\$ 1,377,041</u>	<u>\$ 1,082,224</u>